



## CITY OF FRANKLIN

Community Development Department

### Memorandum

**To:** City of Franklin Economic Development Commission  
**From:** Dana Monson, Community Development Specialist  
**Date:** March 12, 2024  
**Re:** Case C 2024-18: IBC Advanced Alloys 21-02

#### Summary:

1. On January 26<sup>th</sup>, 2021, the Franklin Common Council passed Resolution No. 2021-02, approving a 10-year tax abatement with a 2% economic development fee on real property for IBC Advanced Alloys, located at 401 Arvin Road.
2. Actual and estimated benefits, as projected for 2023:

	Estimated on SB-1	Actual in 2022	Difference
Employees Retained	35	35	0
Salaries	\$28.83/hr	\$35.53	\$6.70
New Employees	25	8	-17
Salaries	\$27.19/hr	\$26.95	-\$.24
Total Employees	60	43	-17
Average Hourly Salaries	\$28.14/hr	\$33.93	\$5.79
Real Property Improvements	\$3,350,000	\$4,609,379	\$1,259,379

3. The company did create 5 new jobs in 2021, however, they lost 4 retained employees through attrition. Wages are up for retained employees, however, the new were hired at lower than expected as their skills were lower. Wages will rise as employees are trained. The company did replace the four lost and hired 5 new ones in 2022, however, they are below their wage estimate by \$2.73, primarily due to skill level at the initial hire. In 2023 they hired an additional 2 new employees, bringing the total to 8. Wages also rose for all employees. They continue to project hiring 5 per year until the full 25 has been hired.
4. Real property improvements are above by \$1,259,379 from the SB-1 estimate.
5. The tax abatement for IBC Advanced Alloys is scheduled to expire in tax year 2032 payable 2033. The final compliance review will take place in 2032.

**Staff Recommendation:** Approval

IBC Advanced Alloys / Nonferrous  
Products, Inc.

401 Arvin Road  
Franklin, IN 46131  
Phone: 317-738-2558  
Fax: 317-738-2685

February 16, 2024

Dana Monson, Community Development Specialist  
Dept. of Community Development  
70 E. Monroe Street  
Franklin, In 46131

Re: Tax Abatement Compliance – IBC Advanced Alloys

Dear Mrs. Monson:


Enclosed please find Forms CF-1 / PP and CF-1 / Real Property (Compliance with Statement of Benefits) regarding compliance with the real and personal property tax abatements which were granted to Nonferrous products Inc 2021 on March 15, 2021 under Franklin Common Council Resolutions: No. 21-05 PP and No. 21-02 RE.

As can be seen from reviewing the enclosed documents, our company has been successful in (1) Exceeding the capital investments which had been projected for the IBC expansion project with over \$7.2 million in new capital, and (2) creating 8 additional jobs since the (Form SB-1) was approved on March 15, 2001.

We have incurred, as many companies in our area, a difficulty in finding and keeping qualified candidates. We currently have plans to increase by 5 employees each year as we forecasted in SB-1 submission, with plans to immediately fill multiple openings as soon as qualified candidates can be successfully recruited.

Please review the enclosed documents, and if you have any questions or concerns regarding this matter, please feel free to contact me.

Respectfully,



Melanie A. Todd, CPA

Assistant Controller

Nonferrous Products DBA: IBC Advanced Alloys



# COMPLIANCE WITH STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51766 (R3 / 2-13)

Prescribed by the Department of Local Government Finance

20 24 PAY 20 25

FORM CF-1 / Real Property

## PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

### INSTRUCTIONS:

1. This form does not apply to property located in a residentially distressed area or any deduction for which the Statement of Benefits was approved before July 1, 1991.
2. Property owners must file this form with the county auditor and the designating body for their review regarding the compliance of the project with the Statement of Benefits (Form SB-1/Real Property).
3. This form must accompany the initial deduction application (Form 322/RE) that is filed with the county auditor.
4. This form must also be updated each year in which the deduction is applicable. It is filed with the county auditor and the designating body before May 15, or by the due date of the real property owner's personal property return that is filed in the township where the property is located. (IC 6-1.1-12.1-5.1(b))
5. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance form (Form CF-1/Real Property).

SECTION 1		TAXPAYER INFORMATION	
Name of taxpayer	County		
Nonferrous Products Inc	Johnson		
Address of taxpayer (number and street, city, state, and ZIP code)	DLGF taxing district number		
401 Arvin Road Franklin, In 46131-1549	41-009		
Name of contact person	Telephone number		
Melanie Todd	( 317 ) 739-0413		

SECTION 2		LOCATION AND DESCRIPTION OF PROPERTY	
Name of designating body	Resolution number	Estimated start date (month, day, year)	
City of Franklin	21-02	02/01/2021	
Location of property	Actual start date (month, day, year)		
401 Arvin Road Franklin, In 46131 (41-08-14-012-001.000-009)	03/15/2021		
Description of real property improvements	Estimated completion date (month, day, year)		
Expansion of current Franklin Indiana facilities. Includes a new 32,000 sq ft copper melting foundry (including upgrading 3 copper foundry furnaces, a new furnace power supply, a new coolant system) and saw cutting center.	03/31/2024		
	Actual completion date (month, day, year)		
	TBD		

SECTION 3		EMPLOYEES AND SALARIES	
EMPLOYEES AND SALARIES		AS ESTIMATED ON SB-1	ACTUAL
Current number of employees		35	43
Salaries		\$ 28.83 / hr	\$ 35.53 / hr
Number of employees retained		35	43
Salaries		\$ 28.83 / hr	\$ 35.53 / hr
Number of additional employees		25	8
Salaries		\$ 27.19 / hr	\$ 26.95 / hr

SECTION 4		COST AND VALUES	
COST AND VALUES		REAL ESTATE IMPROVEMENTS	
AS ESTIMATED ON SB-1	COST	ASSESSED VALUE	
Values before project	\$2,198,771	\$873,300	
Plus: Values of proposed project	\$3,350,000	\$3,350,000	
Less: Values of any property being replaced	\$0	\$0	
Net values upon completion of project	\$5,548,771	\$4,223,300	
ACTUAL	COST	ASSESSED VALUE	
Values before project	\$2,198,771	\$873,300	
Plus: Values of proposed project	\$4,609,379	\$4,609,379	
Less: Values of any property being replaced	\$0	\$0	
Net values upon completion of project	\$6,808,150	\$5,482,679	

SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER	
WASTE CONVERTED AND OTHER BENEFITS		AS ESTIMATED ON SB-1	ACTUAL
Amount of solid waste converted		0 LBS	0 LBS
Amount of hazardous waste converted		0 LBS	0 LBS
Other benefits:		0 LBS	0 LBS

SECTION 6		TAXPAYER CERTIFICATION	
I hereby certify that the representations in this statement are true.			
Signature of authorized representative	Title	Date signed (month, day, year)	
Melanie A. Todd, CPA	Assistant Controller	February 16, 2024	

OPTIONAL: FOR USE BY A DESIGNATING BODY WHO ELECTS TO REVIEW THE COMPLIANCE WITH STATEMENT OF BENEFITS (FORM CF-1)  
THAT WAS APPROVED AFTER JUNE 30, 1991

INSTRUCTIONS: (IC 6-1.1-12.1-5.1 and IC 6-1.1-12.1-5.9)

1. Not later than forty-five (45) days after receipt of this form, the designating body may determine whether or not the property owner has substantially complied with the Statement of Benefits (Form SB-1/Real Property).
2. If the property owner is found **NOT** to be in substantial compliance, the designating body shall send the property owner written notice. The notice must include the reasons for the determination and the date, time and place of a hearing to be conducted by the designating body. The date of this hearing may not be more than thirty (30) days after the date this notice is mailed. A copy of the notice may be sent to the county auditor and the county assessor.
3. Based on the information presented at the hearing, the designating body shall determine whether or not the property owner has made reasonable efforts to substantially comply with the Statement of Benefits (Form SB-1/Real Property) and whether any failure to substantially comply was caused by factors beyond the control of the property owner.
4. If the designating body determines that the property owner has **NOT** made reasonable efforts to comply, then the designating body shall adopt a resolution terminating the property owner's deduction. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes. The designating body shall immediately mail a certified copy of the resolution to: (1) the property owner; (2) the county auditor; and (3) the county assessor.

We have reviewed the CF-1 and find that:

- ☐ the property owner **IS** in substantial compliance
- ☐ the property owner **IS NOT** in substantial compliance
- ☐ other (specify) \_\_\_\_\_

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

If the property owner is found not to be in substantial compliance, the property owner shall receive the opportunity for a hearing. The following date and time has been set aside for the purpose of considering compliance. (Hearing must be held within thirty (30) days of the date of mailing of this notice.)

Time of hearing

☐ AM  
☐ PM

Date of hearing (month, day, year)

Location of hearing

HEARING RESULTS (to be completed after the hearing)

☐ Approved

☐ Denied (see instruction 5 above)

Reasons for the determination (attach additional sheets if necessary)

Signature of authorized member

Date signed (month, day, year)

Attested by:

Designating body

APPEAL RIGHTS [IC 6-1.1-12.1-5.9(e)]

A property owner whose deduction is denied by the designating body may appeal the designating body's decision by filing a complaint in the office of the Circuit or Superior Court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner.

IBC Advanced Alloys Corp  
Franklin Plant  
Nonferrous Products, Inc.  
2023 Employee Movement by Quarter

	New Hires	Terminated / Quit	Net Change in Employees
Qtr1	9	6	3
Qtr2	5	6	-1
Qtr3	2	0	2
Qtr4	1	2	-1
Total for Year	17	14	3
Starting Headcount 2023			40
Ending Headcount 2023			43

IBC Advanced Alloys Corp  
Franklin Plant  
Nonferrous Products, Inc.  
2021 - 2023 Expansion / Capital Spending Summary

Invoice Date	(All)	<b>Capital Investment</b>
Invoice	(All)	<b>Thru 2023</b>
Row Labels	Sum of Invoice Amount	Sum of Amount Paid
1955 DIA Lathe Serial #NK975 Major Overhaul	12,060.00	12,060.00
40 Ft Standard Watertight Container	6,690.00	6,690.00
500K Power Supply - Power Trak SI Power and Control System for Furnace	186,898.91	186,898.91
Air Compressor & Dryer	50,840.00	50,840.00
Air Conditioner/Furnace for building	12,282.00	12,282.00
Baghouse Rebuild	210,765.00	210,765.00
Behringer Auto Saw Serial # 10017488 Model HBE511A	108,390.00	108,390.00
Billet Water Chiller / Water Treatment	416,743.18	416,743.18
Building Construction	4,513,613.90	4,513,613.90
CIP 6 Press	18,340.18	18,340.18
EE Cleaning Station	19,810.25	19,810.25
Elevator Lift Table - Furnace	6,144.00	6,144.00
Elevators - for Furnace Molds	89,529.88	89,529.88
Fencing around outdoor equipment	11,580.00	11,580.00
Floor Scrubber	11,990.96	11,990.96
Furnace Coil Dry Coolers	268,110.58	268,110.58
Furnace Decking- Raised Steel Frame	16,799.66	16,799.66
Furnace Molds	15,940.00	15,940.00
Furnace Rebuild & Install	196,373.70	196,373.70
Furnace Remote Units	24,800.00	24,800.00
Major overhaul of inside of Furnace	23,400.00	23,400.00
Misc Building Expenses	138.57	138.57
New Security Cameras	106,048.89	106,048.89
Okuma CNC VTL V100R S/N 10108	231,027.59	231,027.59
Pit Box	69,184.36	69,184.36
Plex ERP Costs Phase 1	8,091.74	8,091.74
Plex Phase 1	483,135.63	483,135.63
Plex Phase 1 Hardware	18,742.20	18,742.20
Plex Phase 2 - System Software	45,191.50	45,191.50
Plumbing - Water, Air, Gas Lines	624.98	624.98
Refurbish H45-02 Forklift - total major overhaul 10/03/2023	25,000.00	25,000.00
Relocate Fiber Optics (New Building)	5,600.00	5,600.00
<b>Grand Total</b>	<b>7,213,887.66</b>	<b>7,213,887.66</b>

Nonferrous Products, Inc  
Capital Investment by Quarter  
February 16, 2024

	Building or Real Estate	Machinery / Personal Property	IT Equipment / Personal Property	Total Capital
2021 Q1	\$ -	\$ -	\$ 86,950	\$ 86,950
2021 Q2	\$ 145,600	\$ -	\$ 69,308	\$ 214,908
2021 Q3	\$ 1,813,525	\$ 436,779	\$ 81,319	\$ 2,331,623
2021 Q4	\$ 1,168,028	\$ 136,884	\$ 220,084	\$ 1,524,996
2022 Q1	\$ 1,047,455	\$ 294,644	\$ 68,100	\$ 1,410,199
2022 Q2	\$ 410,620	\$ 539,003	\$ -	\$ 949,624
2022 Q3	\$ 12,475	\$ 127,400	\$ -	\$ 139,876
2022 Q4	\$ -	\$ 39,171	\$ 12,436	\$ 51,608
2023 Q1	\$ 11,676	\$ 240,009	\$ -	\$ 251,684
2023 Q2	\$ -	\$ 115,349	\$ -	\$ 115,349
2023 Q3	\$ -	\$ 79,890	\$ -	\$ 79,890
2023 Q4	\$ -	\$ -	\$ 57,182	\$ 57,182
	<b>\$ 4,609,379</b>	<b>\$ 2,009,129</b>	<b>\$ 595,379</b>	<b>\$ 7,213,888</b>